

Dear Honorable Martin Glenn, Chief Judge and Vitto Genna, Clerk of Court,

Thank you for your time with this matter.

I'm writing to you in regards to the Celsius case as one of the many creditors that have their crypto holdings withheld.

I would like to bring to your attention an issue that to my understanding hasn't been dealt with by the court so far:

The existence of so called "Celsius X" tokens. Celsius introduced these tokens as a way users could supposedly utilize their Celsius-held assets outside of the platform. For instance, one ETH deposited into Celsius, could be withdrawn as 1 Celsius X ETH. These "X" tokens could be transferred and traded between users outside of the platform freely.

Celsius in its documents claimed that these assets were backed on a 1 to 1 ratio. And in fact, if one was to check the blockchain addresses that hold these coins, they'd realize that the backing to the Celsius X tokens is still sitting on them untouched. The relevant page Celsius had is still accessible to the public:
<https://celsiusx.io/>

By going to <https://celsiusx.io/reserves> one can see that the collateral addresses holding the crypto are still fully funded. For future reference, here's a link to an archive aforementioned "reserves" page as it was captured on Jan. 4 2024:

<https://web.archive.org/web/20240104003458/https://celsiusx.io/reserves>

My deposit to Celsius originated as a deposit of "X" tokens, and Celsius classified it as an "Earn" deposit without asking for explicit permission. It would be logical to assume that users seeking to deposit tokens which had a guaranteed 1 to 1 backing in the platform would not really be interested in the "Earn" program though. In fact, there are enough funds to repay "X" token holders with what's deposited in the relevant backing addresses. So it would be more reasonable to also classify those that had deposited "X" tokens into Celsius as "Custody" creditors.

It is for the aforementioned reasons that I ask you to consider allowing those that had made their deposits into Celsius as "X" tokens to be provided the opportunity to withdraw their full deposits, as these users never actually benefited from the "Earn" programs benefits and were still classified as "Earn" creditors without actually being given an option to choose.

The impact of a decision to allow "X" token depositors to withdraw their funds in full and in kind would not have a large impact on the case, given the small number of X tokens that was minted, especially when compared to the full amount of tokens held by the estate.

Thank you again for your time.

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Footnotes:

Additionally, for your convenience, I'm providing the list of current addresses coins that are reserves of X tokens are situated at.

ETH X token reserve address as seen on celsiusx.io/reserves:

<https://etherscan.io/address/0xdbaa0bcec419c47a75efbb93c745aebae3fe9c7b>

Moved all reserve ETH to address

<https://etherscan.io/address/0x0a5f93E1eCBE398464ABf8FFb60AcF0522Ad0eE7> With transaction:

<https://etherscan.io/tx/0x343f4ebfe334e9dae9832a68fc816fed77617cd0faa262b8d3e3db36df36ebbf>

These funds were then transferred to address

<https://etherscan.io/address/0x0a5f93E1eCBE398464ABf8FFb60AcF0522Ad0eE7> with transaction:

<https://etherscan.io/tx/0xe780df6a436357dc383886b1ddb03b11e324f42c54c56765adfbcb4b29c59dbab>

They're currently sitting on the above mentioned ETH address. While these funds have moved, it's safe to assume that Celsius still controls these funds in full as the transfers were not towards another service's address, and the balances are still sitting in full to the address they were transferred at.

The above mentioned transfers happened on October 11 2023. These transfers happened without consulting "X" token depositors to Celsius, who were the sole creditors of these addresses, unassociated with other types of deposits. To this day the celsiusx website page claims tokens are fully collateralized.

In the case of Cardano (ADA) the funds are still sitting in the "X" token reserve address:

<https://cardanoscan.io/address/addr1qyz2pxracz4ywtxgm38gshxu9hxuglvc22ujl8qfawch5xwlfq26s5sfrh9zruk2jqejvmtexrqz5e7f7n9hvexywssptxgct>

Same is true for DOGE:

<https://dogechain.info/address/DPTCH4iHWPRso4rTrxRP85hL5ByTomyy8j>

As well as BTC:

<https://blockchair.com/bitcoin/address/bc1q4gwx0f6yqurq0gwj9ktwlevrp3eu8snn5kaaax>